

SPECIAL COUNCIL MEETING MINUTES

October 23rd, 2018
7:00 p.m.

Mayor Clark called the meeting to order at 7:00 pm and led the Pledge of Allegiance.

ROLL CALL: Paula Tubalkain, Dave Sluka, Scott Weaver, Bob Gaglione, Marty Hura, and Ben Prescott

OTHERS PRESENT: Clerk-Treasurer Jenny August, Village Solicitor Michele Stuck, Village Administrator John Trew, Police Chief Joe Urso, Village Engineer Rich Iafelice.

CITIZENS: Ursula Ficht, John and Anna Lee Heinl, Marty Fergus, Chelsea Gregor, David Pifer, Mike McCauley, Bob Martin, Roger and Donna Hawkins, Lou Werchelsky, Giles Seith, Monica Matzek, Peg Minard, Marie Minard, David and Linda Westenfelder, Ted Bixler, Jon Harmon, Graham Harmon, Theresa Lee, Linda Schilling, Mike Kreinbrook, Kirk and Anita Ressler, Robert Fall, Jason Wysong, Bob Ress, Cookie Vanek, Ray Harper, Andrea Urso, Tom Aldrich, Harry Buchert, Tiffany Olson, John Adams, Terri Vechery, and Diane Smith from the Record Courier.

MAYORS OPENING STATEMENTS:

Mayor Clark thanked everyone for coming. She gave a brief summary of the age of the plants and the infrastructure, the amount we spent building these plants, and the annual amount we need to keep them going, plus the amount we need to be EPA compliant.

Mayor Clark said that we have a 2-year report on our water distribution system. We have 6" or smaller lines that are 90 years old. There are approximately 22,000 lineal feet of main line that are 6" or smaller. To replace those would cost about \$3 million. We have 13,000 lineal feet that are 8" lines that are 20 years old.

The water plant is 22 years old. It cost \$1.6 million. 40% of the items have a life span of 20 to 30 years (those items are process equipment, HVAC equipment, electronics, roofing etc.) In the next ten years it will cost us about \$1 million. The other 60% has a life span of 50 years. Those items are building structures, foundations etc. The required investment in the Water Treatment plant is about \$180,000 annually.

Another concern is that we have had a decline in consumption. In 2002 we sold 9 ½ million gallons of water. In 2015 we sold 6.2 million gallons.

Regarding sewer lines, Mayor Clark said we have 25,000 feet. The majority of our sewer lines are 80 to 100 years old. To rehab those lines in the next 10 years will cost about \$2.8 million. That would be only 20,000 feet. We assume that 75% of the sewer lines can be rehabbed and 25% replaced. The investments in the wastewater collection system would be about \$220,000 a year.

The Sewer plant was built in 1999-2000 and cost us \$4.5 million. 50% of the plants equipment has a life span of 20 to 30 years. To replace that equipment in the next 10 years would be \$3.8 million. Those items include process equipment, HVAC equipment, electronics, roofing etc. The other 50% are 50 years' life span items such as building structures, foundations etc.

This information doesn't include the staff to run both of these plants. She turned the meeting over to Village Administrator John Trew.

John said we need more staff that we have previously had to properly operate the plants. Our hydrants are another concern. Some of them are 116 years old and some don't even work. We need almost 11 million dollars in improvements. This is an enormous cost for 496 customers to bear. The wastewater plant is in dire need and needs a new electrical house, oxidation ditches, and much more. The water plant is in much better shape than the wastewater plant, but the infrastructure is where the water expenses come into play. This is not just us. This is a statewide and nationwide problem.

COUNCIL DISCUSSION:

Ben Prescott asked if the village will have to bear the costs associated with these repairs. John said this will all have to be negotiated.

Dave Sluka said that after touring the plants, he can see the need for maintenance.

Scott Weaver agreed with Dave, and asked John if we can keep going if we do not get the bid that we want. John said that we are one lightning strike away from a broken transfer switch that would have us dumping raw sewage into the Cuyahoga river. Scott asked if the county would continue operating our plants on a month to month basis until Council makes a decision. John said no, they are done at the end of this year.

Dave Sluka asked if we have looked into selling water to neighboring communities. John said all of the neighboring communities are covered, and we just can't keep waiting for the turnpike to develop.

Paula Tubalkain said we have heard a lot about the needs of the infrastructure. As a village we have failed at planning for the future. We have all of these things breaking and we have no funds to do the repairs. She would not want a private owner to have the plants. She would prefer if the county could get them.

Bob Gaglione said the burden is just too big to put on the residents.

CITIZEN COMMENTS OR QUESTIONS

Graham Harmon said that an asset means it has a value. It is not an asset if you don't have money to maintain it. With a private buyer there are no guarantees. They are into it for the money. We need to make sure the county gets it. Mayor Clark said we would all prefer that the county gets it, but we are a statutory village and mandated by the Ohio Revised Code to bid it out.

Linda Schilling said she hates to see us lose our plants. Our rates will go up no matter who gets them because they are inheriting the repairs. We need to find a way to keep it ourselves.

Dave Westenfelder said this is written as an emergency. Our hydrants are 4" lines and couldn't put out a fire. Give the plants to the county but stipulate that we would get their lowest flat rate, which is currently \$90. We need to have 6 inch mains. Mayor Clark said that our rates would stay as they are, and once they started making these repairs, our rates would move to what the county's minimum charges are. Rich Iafelice said if we had created a Utility Board, the county would have jurisdiction, but that never happened. The bidding process should stabilize our rates and give professional management to the village.

Mike McCauley said that when the wastewater plant was built, the county worked with us on a plant large enough to service them as well. Then they ended up not pitching in what they had promised. The village did not downsize the plant after learning this. This is not fair because the county does not pay nearly what the residents pay. Rich Iafelice said with the contract, the county owns 25% of the wastewater plant. Mike said the county is not our friend here.

Bob Ress asked if we really need the wastewater plant. Couldn't it be converted to a pump station and leased to another facility? The idea of a private entity owning our plants would terrify him. Could we operate our plant at half capacity, giving the other half a rest, then alternating? Rich said the nearest wastewater plant would be Streetsboro. We have fixed costs in our facilities, and units must be exercised. We actually do alternate. John said this is something we could consider.

John Heinl asked if the county needs to be part of this process if they own 25% of the plant. Rich clarified that they don't actually own 25% of the plant, but they own 25% of the capacity.

Terri Vechery asked if we have reached out to our legislators since this is a statewide and nationwide problem. How are other communities dealing with this problem? John said he is a certified Planner and they have reached out to others that have been absorbed. This will help us with the bidding process. There is no need to reinvent the wheel. Terri thinks our legislators should be helping us. Rich said these are enterprise funds that should be self-sufficient. There is just no free money available.

Giles Seith said in Jefferson, near Ashtabula, they had great water. They sold their plant to a private owner and now they are drinking Lake Erie. The county doesn't want to run our plants. They will run a waterline to Shalersville and our water will be shipped out. They will fix and repair as needed, just like we have done.

Jason Wysong asked why a company would want to purchase this, and what would they get. Would there still be 496 customers, or would they try to expand? This is no surprise. Mayor Clark said we have talked to the county. A lateral line to their Coit Road plant would be a good thing. Our rates would be stabilized. John said a private company owning the plants would be very scary.

Kirk Ressler asked if the county customers would absorb some of the repair costs and expenses. John said yes.

Roger Hawkins said a county can put assessments on your taxes like they did with recycling fees. There are a lot of good ideas that should be brainstormed. This should not be passed tonight as an emergency. He is totally opposed to selling the plants. We need to be creative. Table this. We can manage our assets. Dave Sluka said he is not sure if we have time for brainstorming.

Anna Lee Heinl said we are mandated to bid this out, but does it have to be the best or highest bid? Village Solicitor Michele Stuck said an unsatisfactory bid can be rejected. There can be judgment relating to many factors.

Dave Sluka asked John if we can put together a "Plan B" while we brainstorm. John said a plan B could be very expensive and then we might lose the county. Right now, the EPA is on our side.

John Heinl said Mantua's water is so good that a private company could bottle it. We are sitting on a gold mine.

Donna Hawkins said we need to look at our asset. The water plant is paid off. Our well is our asset. She thinks that the county will extend their contract with us, and if not, we can hire. We need to buy some time. The county has wanted our water for a very long time. Do we have a contract yet? Michele said no, but we are working on it. Donna said if this is passed tonight, this prevents a referendum and you are taking away the voice of the people. Michele said we are following the required statute, bidding and advertising. Donna continued with stating that we need an independent study done by someone who does not have a vested interest in our plants. In tonight's legislation, it is stated that our plant sits on a 20-acre parcel. Would we need to re-plat? Michele said no, the intention is to sell the entire asset from well to distribution. Council could continue to own the land. Lastly, Donna told Mayor Clark that she appreciates the comments she made in the newspaper article hoping for ideas from residents.

Linda Schilling asked if John would contact the county and ask about an extension of their current contract. John said the county is only willing to extend the contract if it looks like they will have an opportunity to bid. He added that Council can still brainstorm in the meantime while bids packets are being prepared and it is advertised in the paper for five weeks.

Graham Harmon said that 496 customers bore the cost of building these plants and did not have money to maintain them. We need to protect the residents and give the plants to the county. He asked if the county will assume any remaining debt. Mayor Clark said yes. Paula said that is how we will write the contract.

Kirk Ressler said that when the village is flushing hydrants, everyone gets a text. Why not reach the residents that way instead of at the last minute? Mayor Clark said Council meets every month and people don't come. Our meeting minutes are on the website every month, but people don't read them. Paula said the Council meetings are only a formality. To know what is going on in town, people need to attend the committee meetings where the discussions happen and decisions are made.

Jon Harmon asked what we would need to do to become a Charter village. He asked what would happen if we went bankrupt today, wouldn't the county work with us?

Roger Hawkins said there are two types of thinking; we need to think outside of the box. Bottled water, gold mine, buyer having an agenda. Have the plants been appraised by someone who doesn't have a vested interest?

Bob Ressler asked if we can bid it out, and then reject bids. Michele said yes, we can reject any or all bids.

Dave Sluka asked if we can solicit bids, and brainstorm, then if we come up with an acceptable plan B, can we keep the plants? Michele said yes, tonight's ordinances can be rescinded.

Mayor Clark said there will be a prequalification bid first, which will narrow the field. Rich said that will take 60-90 days just to write the bid specs.

Ted Bixler asked if he can tour the plants. John said sure, give him a call.

Donna Hawkins asked if CT Consultants will be doing the bid specs. Michele said CT Consultants and the village administration. Council could approve the bid packet. Rich said he recommends hiring outside counsel. Donna said she would guestimate that an outside appraisal of the plants and

wells would be around 11 million dollars. There is so much more to be discussed. This should be tabled.

Bob Ress said this situation has been discussed for many years. Now we are painted into a corner.

Anna Lee Heinl asked if we have ever considered raising income tax. Ben said yes, but it was voted down.

Ted Bixler asked if the 11 million is a replacement cost. Rich said yes, the facilities. Only the plants, not the infrastructure. Ted said “who would want that?” The county is the way to go.

Jason Wysong said this is like a fixer upper. We need to know the total current appraisal value.

Roger Hawkins asked what we are doing with the money we have saved since paying off the water plant loans. Mayor Clark said we have done some re-wiring, new dehumidifiers, and other things, but it has only been ten months since we paid our water plant loans off.

Dave Westenfelder said we should use the counties “best value” rates. Some communities are paying better rates with the county.

Harry Buchert asked if the bid packet will be available before it goes out. He asked who is overseeing them. Council needs input.

Linda Shilling asked if Council has a rough number of what would be an acceptable bid. John said it is not necessarily a number. It could be stabilization of rates for our residents. Linda said our rates will increase no matter what.

MORE COUNCIL DISCUSSION:

Mayor Clark read the ordinance heading and opened the floor for additional Council discussion.

Dave Sluka said he would like to amend the ordinance to add a section 4 that would state that Council needs to approve the bid. Michele said that certainly can be included.

Scott Weaver wanted to amend the header to say “highest and most qualified” bidder, rather than “highest and best” bidder.

LEGISLATION:

ORD. 2018-56 AN ORDINANCE DECLARING IT NECESSARY TO RELINQUISH THE OWNERSHIP AND OPERATION OF THE VILLAGE OF MANTUA WATER TREATMENT PLANT AND DISTRIBUTION SYSTEM WITH ALL ASSOCIATED APPURTENANCES, FINDING THAT THIS UTILITY IS NO LONGER NEEDED FOR A MUNICIPAL PURPOSE, AND AUTHORIZING THE SALE OF SAID UTILITY TO THE HIGHEST AND MOST QUALIFIED BIDDER THROUGH A COMPETITIVE BIDDING PROCESS PURSUANT TO LAW, AND DECLARING AN EMERGENCY. *1st Reading.*

- ❖ Motion to amend this ordinance by adding a section that would state that Council will approve the bid packet by ordinance before it is advertised by Dave Sluka, seconded by Scott Weaver. All ayes on vote.

- ❖ Motion to amend this ordinance by replacing “highest and best bidder” in the last part of the ordinance title with “highest and most qualified bidder” by Scott Weaver, seconded by Bob Gaglione. All ayes on vote.

Mayor Clark asked if we should include an ad hoc committee of the public to brainstorm. Michele said that can be separate from this ordinance. Dave Sluka clarified the timing of the bidding process. Paula Tubalkain said that if we move forward, we would have 60-90 days to prepare the bid packet, then five weeks of advertising, then have the bid opening, this will make time for Council and the public to meet and brainstorm, and we can rescind if desired. The county needs to see that we are taking action on the bid process, or they are done here. Paula said she hates to see assets go. The water infrastructure is not an asset. Below ground infrastructure is a problem that someone has to fix.

- ❖ Scott Weaver moved to suspend the rules. Dave Sluka seconded. All ayes on vote.
- ❖ Scott Weaver moved to approve, with a second by Bob Gaglione. All ayes on vote.

ORD. 2018-57 AN ORDINANCE DECLARING IT NECESSARY TO RELINQUISH THE OWNERSHIP AND OPERATION OF THE VILLAGE OF MANTUA WASTEWATER COLLECTION SYSTEM AND TREATMENT PLANT WITH ALL ASSOCIATED APPURTENANCES, FINDING THAT THIS UTILITY IS NO LONGER NEEDED FOR A MUNICIPAL PURPOSE, AND AUTHORIZING THE SALE OF SAID UTILITY TO THE HIGHEST AND MOST QUALIFIED BIDDER THROUGH A COMPETITIVE BIDDING PROCESS PURSUANT TO LAW, AND DECLARING AN EMERGENCY. *1st Reading.*

- ❖ Motion to amend by replacing “highest and best bidder” in the last part of the ordinance header with “highest and most qualified bidder” by Scott Weaver, seconded by Bob Gaglione. All ayes on vote.
- ❖ Motion to amend this ordinance by adding a section 4 that would state that Council will approve the bid packet by ordinance prior to advertising by Scott Weaver, seconded by Bob Gaglione. All ayes on vote.
- ❖ Scott Weaver moved to suspend the rules. Bob Gaglione seconded. All ayes on vote.
- ❖ Scott Weaver moved to approve, with a second by Marty Hura. All ayes on vote.

Mayor Clark said if anyone is interested in being on an ad-hoc committee, let us know as soon as possible.

Ben Prescott said he would like the contract to say that we have the right to inspect the plants.

Adjournment

- ❖ Motion to adjourn at 9:08 pm by Ben Prescott, seconded by Bob Gaglione. All ayes on vote.

Mayor Linda Clark

Jenny August, Clerk-Treasurer